

# **EXHIBIT A**



## FEDERAL BUREAU OF INVESTIGATION

Date of entry 03/22/2019

Steve Lopes was interviewed at the University of Southern California (USC), located in Los Angeles, California. Present during the interview were Attorneys Ross Helper, Matt Coe'odess, and Debra Wang Yang of the Gibson-Dunn law firm. Also present were Assistant United States Attorneys Leslie Wright, Justin O'Connell and Eric Rosen. Present by video conference were Assistant United States Attorney Kristen Kearney, FBI SAs Laura Smith and Kaitlyn Cedrone and IRS SA Elizabeth Keating. After being advised of the identity of the interviewing Agents and the nature of the interview, Lopes provided the following information:

Background

Lopes played Division 3 football in school and came to USC as a graduate student and earned his Masters in Business Administration. Lopes volunteered in the athletic department and worked in marketing then event operations. Lopes became Chief Financial Officer in 2010. Lopes also earned his Executive Doctorate in Higher Education from the University of Pennsylvania. For the last eight years, Lopes worked under Pat LNU but now reported to Lynn Swan.

In terms of working in event operations, Lopes focused on finance and sports administration. He oversaw men's basketball, men's baseball, women's soccer and men's tennis.

As sports administrator, Lopes supported coaches and team members and deal with administrative matters including NCAA issues, coaches talking to parents, etc. Lopes evaluated the head coaches in sports as well. Lopes made personal observations of coaches.

Lopes' day-to-day operations duties included facilities management, event management for games, putting events together and event security. Lopes mainly handled the logistics and event management.

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Investigation on 01/24/2019 at Chelsea, Massachusetts, United States (In Person, Phone)File # [REDACTED] Date drafted 01/25/2019by Smith Laura, Kaitlyn Cedrone, KEATING ELIZABETH ANNE

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Lopes' finance duties consisted of operational budgets which was approximately \$110,000 per year, budget performance, planning, accounts payable/receivable and invoice payments. Lopes was also engaged in financial reporting.

#### Fundraising

At USC, everyone was involved in fundraising which was approximately 25% of the operating budget. Lopes believed new students should be treated as patrons and donors to the school. Everyone was involved in development to some extent.

Formally, USC had a Development Office. The Athletic Department also had it's own Development Office. Ron Oar was the head of the Athletic Development. There were approximately 12 people who worked for Oar. Oar reported to the Athletic Director.

Fundraising for the Athletic Development Office was done in three ways. First, there were annual support groups. There were different levels of giving and these donors could receive benefits for events such as tickets. The cost of the tickets are no longer deductible. Lopes was aware there were tax laws around donations, Oar would be looped into these about the changes and determine how to use funds. Second, capital projects dealt with renovations of buildings such as the football stadium. Third were endowments for programs or people, positions or coaches.

#### Admissions

Lopes' role in the admission of student athletes is non existent. Student athlete admissions was handled by DONNA HEINEL and her assistant, Katie Fuller.

Lynn Swan was the Athletic Director at USC. HEINEL reported to Swan.

#### Athletic Department

There are five Senior Associate Athletic Directors at USC. The Athletic Department consisted of Ron Oar, Steve Lopes, DONNA HEINEL, Tim Tessler, Denise Kwok and Joyce Bell.

Joyce Lynn worked in Compliance but moved to Athletics one year ago.

#### Recruitment of Athletes

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It was the responsibility of the head coach to hire staff and run their program. Included in this was recruiting athletes, coaching athletes and making sure they graduate from USC. Head coaches identified potential recruits through 1) seeing them play in person; 2) a club coach contacting them about a student who played for them (ie. AYSO) and 3) through referrals from colleagues.

Lopes was not involved in recruitment of athletes. Recruitment was not outsourced because it was one of the means by which a head coach was evaluated. Lopes expected coaches to recruit students who would succeed as a student and athletically. Recruitment was a shared responsibility between the head coach and the associate coaches.

There were rules around at what age a student could be recruited. Once a student is recruited, a verbal commitment was made to the student. The student would receive a National Letter of Intent (NLI) approximately six months to one year out from applying to college. The student would also have to register with the NCAA Clearinghouse and complete any requirements mandated of them. The coaches communicated with HEINEL and Fuller about which students needed to be evaluated for admissions. The coaches would also provide information about the potential recruit to admissions for evaluation. Lopes believed the NLI was for scholarship students only.

Lopes had never been to a sub-committee meeting but was aware they took place. Lopes believed HEINEL compiled information on the students for the sub-committee meetings. HEINEL and Fuller would present the student athletes to the sub-committee which met once a month or so. Student athletes were presented as part of the admissions process.

Each sport was limited in the number of scholarships they could give their athletes on their team. Each sport has a specific number. Women's soccer had 14 scholarships. The coach had to manage the scholarships offered to student athletes. Students receiving scholarships received them for all four years of school.

There were "head count sports" and "equivalency sports." Head count sports were full scholarship sports. Included in this were men's football, men's and women's basketball, women's volleyball, and women's tennis. Equivalency sports were different in that coaches could break up the scholarships among the athletes as they saw fit.

For non-scholarship athletes (ie. walk-ons) the expectation is that the student athlete would be evaluated and will contribute to the team. Every sport has walk-ons. Non-scholarship students are selected to join the

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team because the coach believes the student is a qualified player. Each spot on a team is directly tied to the target roster size and determines how many walk-on, full scholarship and partial scholarship students are taken. All scholarship and non-scholarship students are presented to the sub-committee.

[Agent note: Lopes was shown several documents and provided the following comments.]

Tab 10: In 2015 Lopes oversaw the water polo program. JOVAN VAVIC is the water polo coach. When student athletes are recruited, you need to let them know what percentage they will get. The email was regarding a discrepancy in the percentage.

A student's accolades are collected from each and submitted to HEINEL and then presented to the sub-committee. There is also reference to information provided by the student, test scores, athletic resume and accomplishments. There is a need to make sure the information is accurate in order to evaluate a student. If something was incorrect, it would be a problem. Lopes had an understanding that there is a priority of admissions per sport. For example, water polo players need to be prioritized based on the percentage of aid they are receiving. Each coach has to prioritize. It would be unacceptable if information was manufactured to enhance accolades because it was not an accurate reflection of the student. There are grades of athletic participation, but the coach still needs to make the decision. If a student athlete was being recruited, they were expected to participate on the team, to include everyone on the roster, walk-ons, try-outs, etc. Students can come to a program in many ways.

Recruitable walk-ons are of sufficient ability to help a team in the same way. A student does not have to be the number one player on a team.

Coaches should not consider the financial position of a family when recruiting students. It is expected that there are no side deals for walk-ons. If there were side deals being made it would be a problem, because that shouldn't be the reason for a student to come to USC. Many factors are considered, including financial support, but at the end of the day, the student athlete is expected to benefit the program.

There should not be an agreement between a parent and a coach to recruit a student in exchange for money instead of going through the regular

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admissions process. Lopes was not aware of a situation in which there was an agreement between a parent and coach to recruit a student. It would be a concern if there was an agreement of this kind.

Gift letters to donors are generated centrally at USC. Lopes does not see these gift letters. Lopes only receives a report on donations made to USC.

Tab 19: The Women's Athletic Board Account was controlled by HEINEL. HEINEL had oversight over how the funds moved in and out of the account. Employees don't get credit for money going into accounts. The Women of Troy was a support group within athletics that supported women's teams.

There are two types of accounts- restricted and unrestricted accounts. Which of these accounts a donation was made into had to do with how it came to USC and how it was used. In restricted accounts, when a donation came in, development staff should be involved and direct where the funds went. There should be a hand-off of sorts to development. A staff member should not be this deeply involved in this process.

HEINEL was evaluated holistically. Lopes did not evaluate HEINEL. Lopes believed she was trying to better the athletic department and be successful.

Regarding the [REDACTED] family donation, HEINEL should not solicit money from the families; that was Development's job. Lopes did not remember specifics about the [REDACTED] family.

Lopes recalled seeing Rick Singer's name but did not meet him or know him or what he was about.

Tab 21: Lopes recalled the email chain only from reading it. It was not unusual for donations to be made to women's volleyball. Mick was the women's volleyball coach.

With regard to an exchange of money in order to accept a walk-on, it depended on the walk-on. A lot of people want to help kids find a college and get them into school. Having someone pay to help a student get into college wasn't wrong. If someone was a scholarship student, then it was different. If money went to the coach, it would be a problem because a coach shouldn't take money. The coach would also need to report the money.

If parents were to pay, even through a middleman, to get a student in who didn't play a sport, but was marked as a recruited player, it would be a problem.



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It would be a problem regardless of whether the money went to the program or the coach or a person at the school. Coaches and employees of the school should not be taking money for this purpose.

It would also be a problem, even if money wasn't involved, but where a student was dressed up as an athlete who was a non-athlete or not recruitable.

It would be a problem and a violation of duties at USC if the instances above took place. USC would not encourage this type of behavior. It would not be in the best interest of the coach either because the team wouldn't be successful.

Regarding gifts, people get things in exchange for gifts all the time. Benefits received are not hidden, they are laid out to the public.

If someone traded a gift in exchange for a spot, it would be hidden from the sub-committee and Lopes, and there would be deception involved. Trading gifts for spots should not be happening. USC does not publish selling spots.

Lopes was aware of some people marketing for students to get into school through athletics, they may have fees that are paid, but the coach makes the final decision on a student athlete.

Coaches are evaluated in many ways, including balancing budgets, and supporting their programs. The coaches also have restricted funds they can use for their program. Raising funds should not be linked to the recruitment process. Coaches should not be hiding activities from admissions.

Tab 29: Brendan works for Lopes. Brendan was a business officer and helped with budgets. The Galen Center account was used for upgrades and repairs to the building. "Out right gift" meant a gift to the department. Alena was part of development. HEINEL was on the email because she oversees operations for the Galen Center. HEINEL supervised and was the general manager of the Galen Center. HEINEL also controlled the women's athletic account and the women's athletic board account.

Tab 16: The report from the account was a department report. "-" was money coming in, "+" was money going out. Money coming in could be gifts to women's athletics. Lopes was unsure what budget income meant. Brendan did monthly reporting. Each statement of accounts was emailed to the administrator of the account to be reviewed.

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Tab 34: Alexandra was the development officer in Athletics. Lopes was unsure who Marci was or who Marci's son was, whether he was on a team or a recruited athlete. Lopes did not know if money was given in exchange for [REDACTED] to be a walk-on. No one told Lopes money was going to get [REDACTED] into USC.